PROCEDURE NO.

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The Budgetary Accounts

One of the unique features of fund accounting is the use of *budgetary accounts,* which, typically, are not used in commercial accounting. The revenue and expenditure accounts are the "real," or "actual," accounts; they represent the *actual* activity of the fund. In contrast, the budgetary accounts are projections: They show how much is *estimated* to be spent or received from each revenue source during a given period of time to carry out the local educational agency's (LEA's) goals. When the estimated revenues equal the estimated expenditures, the budget is "in balance." The budgetary accounts allow for the comparison of actual revenues and expenditures to estimated revenues and expenditures.

The budgetary control accounts used by LEAs are Estimated Revenue (9810), Estimated Other Financing Sources (9815), Appropriations (9820), Estimated Other Financing Uses (9825), and Encumbrances (9830). These control accounts must be supported by detailed budgetary accounts in the subsidiary revenue and subsidiary expenditure ledgers.

Budgetary accounts have two purposes:

1. To record the estimated revenues of a fund, by source and amount. The recording of actual revenues allows for a comparison of the actual revenues to the estimated revenues.

2. To record the limits that are set on the expenditure levels by the appropriations. The recording of actual expenditures allows a comparison of the actual expenditures to the amounts that are available to be committed or expended within the limits set by law or by the governing board.